

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE:	§	
	§	Case Number 09-50140
RENEGADE HOLDINGS, INC., et al,	§	Consolidated for Administration
	§	Chapter 11
Debtors.	§	

REPORT OF SALE

Peter L. Tourtellot, Chapter 11 Trustee, through counsel and for and on behalf of the bankruptcy estates of Renegade Holdings, Inc., Alternative Brands, Inc., and Renegade Tobacco Company (“Debtors”), and pursuant to the Amended Order (i) Confirming Sales of Certain Real Property Located in Davie County, North Carolina to Parties That Submitted the Highest Bids at Auction on June 23, 2011, Free and Clear of All Liens, Claims, Encumbrances and Other Interests; and (ii) Authorizing Closing on Sale of Certain Real Property entered July 14, 2011 [Docket No. 967] (the “Order Confirming Sale”), presents to this Court and parties in interest this Report of Sale. Debtors show the Court the following:

1. On May 25, 2011, the Court entered an Order pursuant to Section 327 of Title 11 of the United States Code approving Debtors’ employment of Iron Horse Auction Co., Inc. (“Iron Horse”) [Docket No. 933] to sell at a public auction to be held at 6:00 p.m. on Thursday, June 23, 2011 at the Davie County Senior Center, 278 Meroney Street, Mocksville, NC 27028, the following real property (collectively referred to as the “Properties” or individually as defined in paragraphs 1 (a), (b), and (c) below):

(a) Three (3) parcels consisting of 310.57 +/- acres of adjoining land located on NC Hwy 801 and US Hwy 64 in Davie County, North Carolina with frontage on the Yadkin River and consisting of the following acreages (“River Property”):

(i) 228.48 +/- acres, Parcel# 5777870922, as described in Book 315, Page 3 of the Davie County Registry;

(ii) 66.49 +/- acres, Parcel# 5777994297, as described in Book 648, Page 352 of the Davie County Registry; and

(iii) 15.6 +/- acres, Parcel# 5788005450, as described in Book 648, Page 355 of the Davie County Registry;

(b) One (1) parcel consisting of 27.828 +/- acres located off US Hwy 601 North on Allen Road in Davie County, North Carolina, partially cleared and currently in crop production, Parcel# 5729587793, as described in Book 454, Page 60 of the Davie County Registry ("Allen Road Property"); and

(c) Two (2) adjoining parcels in Davie County, North Carolina consisting of the following acreages ("Hwys 601/801 Property"):

(i) 1.624 +/- acres with a brick building with frontage on US Hwy 601 South, Parcel# 5746515059, as described in Book 410, Page 941 of the Davie County Registry; and

(ii) .727 +/- acres with a wooden structure not in current use and appears abandoned with frontage on NC Hwy 801, Parcel# 5746514369, as described in Book 410, Page 943 of the Davie County.

2. Iron Horse conducted a public auction of the Properties at 6:00 p.m. on Thursday, June 23, 2011 at the Davie County Senior Center, 278 Meroney Street, Mocksville, NC 27028, as ordered by this Court.

3. Webster Swicegood, as agent, submitted the highest and best bid for the River Property in the amount of \$1,125,000.00 and entered into a purchase contract for the River Property (the "Swicegood Purchase Contract"), subject to adjustment on a per-acre basis following a survey to be performed at the buyer's expense. The per-acre price of the River Property is \$3,629.03. The survey of the River Property revealed that the acreage should be adjusted from 310 acres to 313.372 acres, resulting in an increased total bid of \$1,137,236.39.

4. Justin M. Carter submitted the highest and best bid for the Allen Road Property in the amount of \$160,000.00 and entered into a purchase contract for the Allen Road Property (the

“Carter Purchase Contract”).

5. James E. Ruddock submitted the highest and best bid for the Hwys 601/801 Property in the amount of \$76,000.00 and entered into a purchase contract for the Hwys 601/801 Property (the “Ruddock Purchase Contract”).

6. The gross price for the Properties, excluding the 7% buyer’s bid premium, is \$1,373,236.39.

7. The Swicegood Purchase Contract, the Carter Purchase Contract, and the Ruddock Purchase Contract are referred to collectively herein as the “Purchase Contracts.”

8. On July 14, 2011, the Court entered the Order Confirming Sale approving the Purchase Contracts, confirming the sales thereunder free and clear of all liens, claims, encumbrances and other interests, and authorizing closings on the sale of the Properties.

9. Closings on the sale of the Allen Road Property and the Hwy 601/801 Property took place on July 27, 2011. The purchase price paid at closing by Mr. Carter was \$171,200 (\$160,000 high bid plus 7% buyer’s premium due to Iron Horse). At closing, the following disbursements were made, and Net Sales Proceeds of \$141,781.24 were disbursed to Ashley S. Rusher and the firm of Blanco Tackabery & Matamoros, P.A., Special Counsel to the Chapter 11 Trustee (“Special Counsel”):

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
Iron Horse Auction Co., Inc.	7% buyer's premium	\$11,200.00
Iron Horse Auction Co., Inc. ¹	advertising for all	\$12,500.00
Iron Horse Auction Co., Inc. ¹	3% commission	\$4,800.00
Davie County Tax Collector	property taxes	\$575.76
Davie County Register of Deeds	deed stamps	<u>\$343.00</u>
Total Disbursements		\$29,418.76

¹ This amount was mistakenly paid by the closing attorney to Iron Horse. Thereafter, Iron Horse reimbursed this amount to Special Counsel to hold pending Court approval for distribution to Iron Horse.

10. The purchase price paid at closing by Mr. Ruddock was \$81,320 (\$76,000 high bid plus 7% buyer's premium due to Iron Horse). At closing, the following disbursements were made, and Net Sales Proceeds of \$72,389.27 were disbursed to Special Counsel:

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
Iron Horse Auction Co., Inc.	7% buyer's premium	\$5,320.00
Iron Horse Auction Co., Inc. ¹	3% commission	\$2,280.00
Davie County Tax Collector	property taxes	\$1,167.73
Davie County Register of Deeds	deed stamps	<u>\$163.00</u>
Total Disbursements		\$8,930.73

11. Closing on the sale of the River Property took place on August 10, 2011. The purchase price paid at closing on the River Property was \$1,216,842.94 (\$1,137,236.39 high bid plus 7% buyer's premium due to Iron Horse). At closing, the following disbursements were made, and Net Sales Proceeds of \$1,109,326.36 were disbursed to Special Counsel:

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
Iron Horse Auction Co., Inc.	7% buyer's premium	\$79,606.55
Davie County Tax Collector	property taxes	\$25,476.03
Davie County Register of Deeds	deed stamps	<u>\$2,434.00</u>
Total Disbursements		\$107,516.58

12. The following disbursements were made by Special Counsel from the Net Sales Proceeds received from the closings on the Properties:

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
Bank of the Carolinas	partial payoff of liens	\$361,417.75
NewBridge Bank	lien payoffs	\$404,742.00
Total Disbursements		\$766,159.75

13. The Net Sales Proceeds of \$576,917.12 are being held in trust by Special Counsel, pending further order of the Court.

WHEREFORE, Debtors request that the Court receive and accept the foregoing Report of Sale.

This the 14th day of September, 2011.

/s/ Ashley S. Rusher
Ashley S. Rusher, NCSB #14296
Special Counsel

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CERTIFICATE OF SERVICE

The undersigned does hereby certify that she has this date served a copy of the **REPORT OF SALE** by electronic mail on the parties shown on the attached list, or by depositing a copy in the United States Mail, postage prepaid, if noted as “via first class mail.”

This the 14th day of September, 2011.

/s/ Ashley S. Rusher
Ashley S. Rusher, NCSB #14296
Special Counsel

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